

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ARIZONA CORPORATION  
COMMISSION

MAY 14 2003

Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-01944A  
Lago Del Oro Water Company  
9532 East Riggs Road  
Sun Lakes AZ 852487411

**ANNUAL REPORT**

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04 02

29 MAY 2003

*Entered  
5/15/03  
C.M.  
2002  
assessment  
db updated  
C.M.*

## COMPANY INFORMATION

**Company Name (Business Name)** Lago Del Oro Water Company

**Mailing Address** 9532 E Riggs Road  
(Street)

Sun Lakes Arizona 85248  
(City) (State) (Zip)

(480) 895-9200 (480) 895-4347  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** 40,004 S. Ridgeview Blvd.  
(Street)

Tucson Arizona 85739  
(City) (State) (Zip)

(520) 825-3423 (520) 825-0712 (520) 932-5892  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** James Poulos General Manager  
(Name) (Title)

9532 E. Riggs Road Sun Lakes Arizona 85248  
(Street) (City) (State) (Zip)

(480) 895-9200 (480) 895-4347  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Ed MacMeans  
(Name)

40,004 S. Ridgeview Blvd. Tucson Arizona 85739  
(Street) (City) (State) (Zip)

(520) 825-3423 (520) 825-0712 (520) 932-5892  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** EC Service Corporation  
(Name)

3003 N. Central Ave. #2600  
(Street)

Phoenix  
(City)

Arizona 85012-2913  
(State) (Zip)

(602) 916-5000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Marty Aronson  
(Name)

One E Camelback Road  
(Street)

Phoenix  
(City)

Arizona 85012  
(State) (Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |   |
|-------------------------------------|--|---|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO         |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE         |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE           |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA             |
| <input type="checkbox"/> STATEWIDE  |  |   |

**COMPANY NAME**

Lago Del Oro Water Company

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608		42,608
304	Structures and Improvements	76,101	14,439	61,662
307	Wells and Springs	1,741,573	429,205	1,312,368
311	Pumping Equipment	2,157,371	445,945	1,711,426
320	Water Treatment Equipment	499,277	118,578	380,699
330	Distribution Reservoirs and Standpipes	2,877,620	775,864	2,101,756
331	Transmission and Distribution Mains	3,241,176	946,392	2,294,784
333	Services	1,019,413	290,493	728,920
334	Meters and Meter Installations	350,523	115,232	235,291
335	Hydrants	491,539	141,128	350,411
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	609,698	132,584	477,114
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	80,000	7,333	72,667
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	13,186,899	3,417,193	9,769,706

This amount goes on the Balance Sheet Acct. No. 108



**COMPANY NAME**

Lago Del Oro Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608		-0-
304	Structures and Improvements	76,101	.0480	3,655
307	Wells and Springs	1,741,573	.0486	84,563
311	Pumping Equipment	2,157,371	.0482	103,905
320	Water Treatment Equipment	499,277	.0500	24,964
330	Distribution Reservoirs and Standpipes	2,877,620	.0496	142,841
331	Transmission and Distribution Mains	3,241,176	.0431	139,542
333	Services	1,019,413	.0419	42,681
334	Meters and Meter Installations	350,523	.0456	15,976
335	Hydrants	491,539	.0411	22,201
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	609,698	.0487	29,697
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	80,000	.0500	4,000
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	13,186,899	.0466	614,025

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

Amort of CIAC  $\frac{(14,054)}{599,971}$   
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**COMPANY NAME**

Lago Del Oro Water Company

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 58,337	\$ 89,869
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	124,738	144,100
146	Notes/Receivables from Associated Companies	579,720	324,137
151	Plant Material and Supplies		
162	Prepayments	73,028	53,422
174	Miscellaneous Current and Accrued Assets	135,128	142,570
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 970,951	\$ 754,098
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 12,210,080	\$ 13,186,899
103	Property Held for Future Use		
105	Construction Work in Progress	1,280	6,239
108	Accumulated Depreciation – Utility Plant	2,803,160	3,417,193
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 9,408,200	\$ 9,775,945
	<b>TOTAL ASSETS</b>	\$ 10,379,151	\$ 10,530,043

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

## COMPANY NAME

Lago Del Oro Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 57,957	\$ 63,047
232	Notes Payable (Current Portion)		271,622
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	421,523	404,780
236	Accrued Taxes	89,871	79,674
237	Accrued Interest	18,340	
241	Miscellaneous Current and Accrued Liabilities	22,969	28,638
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 610,660	\$ 847,761
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 4,394,259	\$ 4,122,637
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	339,903	551,514
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	364,258	374,762
272	Less: Amortization of Contributions	(291,147)	(305,201)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 413,014	\$ 621,075
	<b>TOTAL LIABILITIES</b>	\$ 5,417,933	\$ 5,591,473
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 150,500	\$ 150,500
211	Paid in Capital in Excess of Par Value	4,322,625	4,322,625
215	Retained Earnings	488,093	465,445
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 4,961,218	\$ 4,938,570
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 10,379,151	\$ 10,530,043

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 1,504,081	\$ 1,634,682
460	Unmetered Water Revenue		
474	Other Water Revenues	39,192	34,856
	<b>TOTAL REVENUES</b>	\$ 1,543,273	\$ 1,669,538
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 143,683	\$ 188,596
610	Purchased Water		
615	Purchased Power	305,145	366,547
618	Chemicals	17,763	8,207
620	Repairs and Maintenance	94,679	92,181
621	Office Supplies and Expense		
630	Outside Services	46,542	50,044
635	Water Testing	43,397	14,361
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	15,691	20,945
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	70,158	71,545
403	Depreciation Expense	558,984	599,971
408	Taxes Other Than Income		
408.11	Property Taxes	126,312	105,373
409	Income Tax	(31,806)	(7,392)
	<b>TOTAL OPERATING EXPENSES</b>	\$ 1,390,548	\$ 1,510,378
	<b>OPERATING INCOME/(LOSS)</b>	\$ 152,725	\$ 159,160
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 36,963	\$ 27,354
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	285,249	208,831
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (248,286)	\$ (181,477)
	<b>NET INCOME/(LOSS)</b>	\$ (95,561)	\$ (22,317)



**COMPANY NAME**

Lago Del Oro Water Company

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	07/27/00	03/05/01		
Source of Loan	California Bank & Trust	California Bank & Trust		
ACC Decision No.				
Reason for Loan	Plant Additions	Plant Additions		
Dollar Amount Issued	\$ 2,894,259	\$ 1,500,000	\$	\$
Amount Outstanding	\$ 2,894,259	\$ 1,500,000	\$	\$
Date of Maturity	07/27/06	07/27/06		
Interest Rate	Prime	Prime		
Current Year Interest	\$ 137,377	\$ 71,198	\$	\$
Current Year Principle	\$ -0-	\$ -0-	\$	\$

Meter Deposit Balance at Test Year End

\$ 401,280

Meter Deposits Refunded During the Test Year

\$ 84,342.50

**COMPANY NAME**

Lago Del Oro Water Company

**WATER COMPANY PLANT DESCRIPTION****WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (Gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
See Attached						

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
See Attached		364	

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
500,000	2	15,000	1
250,000	2	10,000	2
200,000	1	6,000	2
100,000	1	2,000	6
12,000	3	1,000	3

**Well Site Facilities**  
**Lago Del Oro Water Company**

Location	POE #	DWR #	Pump Horsepower	Pump Yield in GPM's	Casing Depth in Feet	Casing Diameter in Inches	Meter Size (Inches)	Year Drilled
<b>Well # 1</b>	POE 001	55-613452	75	560	804	16	6	1963
<b>Well # 2</b>	POE 002	55-613453	10	50	450	8	3	1973
<b>Well # 3</b>	POE 003	55-613459	2	15	241	8	1	1973
<b>Well # 4</b>	POE 004	55-613454	150	350	800	16	8	1963
<b>Monitoring Well # 4</b>		55-514519	N/A	N/A	N/A	N/A	N/A	N/A
<b>Well # 5</b>	POE 005	55-613455	15	75	300	10	3	1972
<b>Well # 6</b>	POE 006	55-613456	30	120	450	8	3	1973
<b>Well # 7</b>	POE 007	55-613460	10	25	495	8	2	1972
<b>Well # 8</b>	POE 008	55-613457	7.5	120	225	8	3	1972
<b>Well # 11</b>	POE 003	55-613458	3	35	609	8	1	1981
<b>Well # 13</b>	POE 013	55-623397	15	70	310	10	2	1971
<b>Well # 14</b>	POE 014	55-518207	200	1385	800	16	8	1987
<b>Well # 15</b>	POE 015	55-526451	200	1000	804	16	8	1990
<b>Well # 16</b>	POE 004	55-547494	300	1300	959	16	10	1996
<b>Well # 17</b>	POE 017	55-548874	200	1100	1100	16	10	1995
<b>Well # 18</b>	POE 017	55-548873	100	330	1109	16	6	1996
<b>Well # 19</b>	POE 019	55-573651	100	575	1200	20	6	1999

## BOOSTER PUMPS

Horsepower	Quantity
75	3
50	2
40	2
30	6
20	6
15	4
10	2
5	4
3	1

COMPANY NAME

Lago Del Oro Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	5,943
3	PVC	20,497
4	PVC	86,007
5		
6	PVC	151,659
8	PVC	115,409
10	PVC	23,676
12	PVC	4,903

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	4,930
1	50
1 1/2	8
2	41
Comp. 3	4
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	4
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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COMPANY NAME: Lago Del Oro Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	4,686	45,700,232	43,926
FEBRUARY	4,712	42,257,434	45,270
MARCH	4,722	50,142,756	52,107
APRIL	4,739	76,499,981	72,483
MAY	4,761	86,554,777	96,474
JUNE	4,783	109,567,669	105,438
JULY	4,812	87,964,036	87,028
AUGUST	4,844	59,008,167	60,280
SEPTEMBER	4,858	71,185,380	72,866
OCTOBER	4,887	79,235,742	80,174
NOVEMBER	4,915	55,130,624	65,810
DECEMBER	4,950	44,789,709	43,880
	<b>TOTAL</b>	<b>N/A</b>	825,736

808036507 *am*

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ☒ ) Yes                      ( ☐ ) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ☒ ) Yes                      ( ☐ ) No

If yes, provide the GPCPD amount: <sup>231</sup>\_\_\_\_\_ (2000)\_\_\_\_\_

What is the level of arsenic for each well on your system. see attached mg/l

(If more than one well, please list each separately)

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

# Lago Del Oro Water Company

Well #	Service Location	Section	DWR	Well ID #	Arsenic Levels
Well # 1 - POE 001	15916 N. Capstan Avenue	9	55-613452	D-11-14-9-AAA	<0.002 PPM
Well # 2 - POE 002	3415 E. Golder Ranch Road	9	55-613453	D-11-14-9-CDA	<0.002 PPM
Well # 3 - POE 003	5400 E. Golder Ranch Road	23	55-613459	D-11-14-23-DBD	<0.002 PPM
Well # 4 - POE 004	Section 23	23	55-514519	D-10-14-23-CAC	<0.002 PPM
Well # 5 - POE 005	15850 N. Lago Del Oro Parkway	10	55-613455	D-11-14-10-AAD	<0.002 PPM
Well # 6 - POE 006	16515 N. Lago Del Oro Parkway	2	55-613456	D-11-14-2-BDB	<0.002 PPM
Well # 7 - POE 007	Edwin Road	11	55-613460	D-11-14-11-ABD	<0.002 PPM
Well # 8 - POE 008	5447 E. Edwin Road	35	55-613457	D-10-14-35-DCC	<0.002 PPM
Well # 11 - POE 003	5180 E. Golder Ranch Road	23	55-613458	D-11-14-23-ACC	
Well # 13 - POE 013	3280 E. Lamb Drive	9	55-623397	D-11-14-9-BBD	<0.002 PPM
Well # 14 - POE 014	38514 S. Canyon View Court	27	55-518207	D-10-14-27-DDD	<0.002 PPM
Well # 15- POE 015	63579 S. SaddleBrooke Blvd.	35	55-526451	D-10-14-27-ACB	<0.002 PPM
Well # 16 - POE 004	35729 S. Boulder Crest Drive	23	55-547494	D-10-14-23-ACB	
Well # 17 - POE 017	37745 S. Boulder Wind Drive	27	55-548874	D-10-14-27-BCD	<0.002 PPM
Well # 18 - POE 017	63182 E. Desert Highland Drive	34	55-548873	D-10-14-34-BAB	
Well # 19 - POE 019	62971 E. Amberwood Court	34	55-573651	D-10-14-34-BBD	<0.002 PPM

**COMPANY NAME** Lago Del Oro Water Company

**YEAR ENDING 12/31/2002**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 115,889.97

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



COMPANY NAME Lago Del Oro Water Company

YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following: Taxable year ended 04/30/02

Federal Taxable Income Reported	<u>(92,678)</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>(73,777)</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>229,955</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>229,955</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
SIGNATURE

05/14/03

\_\_\_\_\_  
DATE

James L. Poulos

\_\_\_\_\_  
PRINTED NAME

General Manager

\_\_\_\_\_  
TITLE

W-019002

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

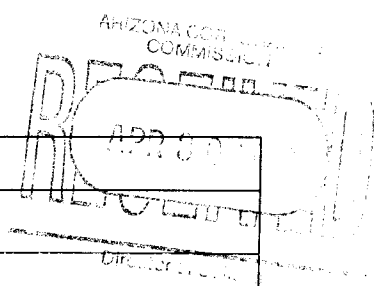
**VERIFICATION**

STATE OF Arizona

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Brian J. Smith - Controller
COMPANY NAME	Lago Del Oro Water Compnay



**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

*Entered  
5/1/03  
C.M.  
2002 assessment  
db updated  
C.M.*

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,770,325

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 109,248

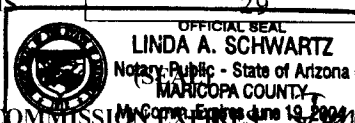
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 29 **DAY OF**



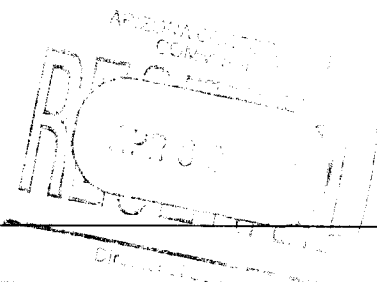
**MY COMMISSION EXPIRES** June 19, 2004

*Brian J. Smith*  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 895-9200  
TELEPHONE NUMBER

COUNTY NAME	
Maricopa	
MONTH	20 <u>03</u>
<i>Linda A. Schwartz</i> SIGNATURE OF NOTARY PUBLIC	

✓

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

(COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Brian J. Smith</u>	TITLE <u>Controller</u>
COMPANY NAME <u>Lago Del Oro Water Company</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

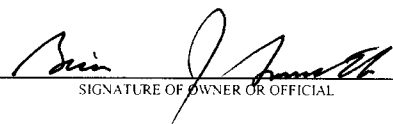
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>1,442,113</u>

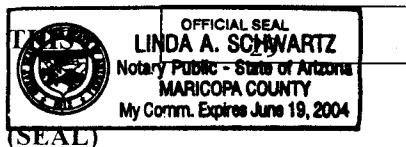
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 83,078  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME**


**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**



**DAY OF**

NOTARY PUBLIC NAME <u>Linda A. Schwartz</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>20 03</u>

**MY COMMISSION EXPIRES** June 19, 2004

X   
SIGNATURE OF NOTARY PUBLIC

222-21-04801 et al

2/01

Bank One Arizona, NA  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221

305744

# LAGO DEL ORO WATER COMPANY

9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411

1020

Pay

Date	Amount
04/19/02	\$****62,070.35

SIXTY TWO THOUSAND SEVENTY AND 55/100 \*\*\*\*\*

Dollars

To  
The  
Order  
Of  
**PIMA COUNTY TREASURER**  
115 N CHURCH AVE  
TUCSON AZ 85701-1130



SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈305744⑈ ⑆122100024⑆ 0969 1135⑈

⑈0006207055⑈

SHOWN IN THE ENDORSEMENT AREA SEE BELOW FOR ADDITIONAL SECURITY FEATURES.  
ENDORSE HERE  
**FOR DEPOSIT ONLY**  
**TO THE CREDIT OF**  
**PIMA COUNTY TREASURER**  
**PIMA COUNTY, ARIZONA**  
FACSIMILE ONLY OF WATERMARK SEAL  
1. U.S. PATENT NO. 5,538,290/5,575,508/5,647,183  
2. AREA INDICATES THAT THE CHECK IS FAULDFREE  
3. PINK COLOR WILL DISAPPEAR WHEN PUBLISHING NUMBER ACROSS FINGERPRINT OR SEAL  
DO NOT WRITE STAMP OR SIGN BELOW. • RESERVE FOR FINANCIAL INSTITUTION USE

0115 55806

MAY - 3 02

330000000000  
00000412724156 05/03/02  
11221017064 E3818 90 P14  
BANK OF AMERICA, NA TPE

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
1. MICRO PRINTING on borders on face and back  
2. LOOK FOR - FINGERPRINT SECURITY FINGERPRINT  
3. Face of check has a COLORED BACKGROUND  
4. text ground and color as shown in the endorsement  
5. U.S. PATENT NO. 5,538,290/5,575,508/5,647,183  
6. ANTI-FINGERPRINT & CERTIFICATION SEAL  
7. The Bank of America, NA TPE  
8. The check, held at no time is a valid U.S. Patent No. 5,538,290/5,575,508/5,647,183  
9. The watermark are shown in the endorsement  
10. SIGNATURE AREA contains a U.S. Patent No. 5,538,290/5,575,508/5,647,183  
11. text wavy line background  
12. Amount line on face contains a different background than the signature

305-34-066C7

Bank One Arizona, NA  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221

305761

# LAGO DEL ORO WATER COMPANY

9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411

Pay

Date	Amount
04/19/02	\$*****1,033.56

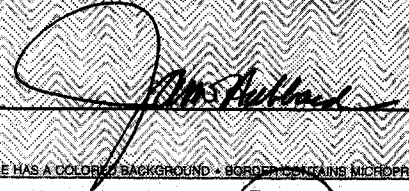
ONE THOUSAND THIRTY THREE AND 56/100 \*\*\*\*\*

Dollars

To  
The  
Order  
Of

**JIM L TURNBULL - PINAL COUNTY TREASURER**  
PINAL COUNTY TREASURERS OFFICE  
PO BOX 729  
FLORENCE AZ 85232-0729

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING



⑈305761⑈ ⑆122100024⑆ 0969 1135⑈

TELLER  
DSH  
⑈0000103356⑈

SHOWN IN THE ENDORSEMENT AREA. SEE BELOW FOR ADDITIONAL SECURITY FEATURES.  
ENDORSE HERE

U.S. PATENT NO. 5538290; 5575508; 5641183

DO NOT WRITE, STAMP OR SIGN BELOW • RESERVED FOR FINANCIAL INSTITUTION USE

1. AREA INDICATES THAT THE CHECK IS FAULSIFIED  
2. AREA INDICATES THAT THE CHECK IS FAULSIFIED

253  
PAY TO THE ORDER OF  
ANY BANK OR BANKERS  
OR TRUST COMPANY

042302

JIM L. TURNBULL  
PINAL CO. TREASURER  
BANK ONE ACCT  
13248988

APR 25 02

0096130660 04/25/2002 14858

BANK ONE, NA - ARIZONA

APR 25 2002

PHOENIX, ARIZONA

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
1. MICRO PRINTING on borders on face and back of check  
2. Faint, wavy line background on face and back of check  
3. Faint, wavy line background on face and back of check  
4. Faint, wavy line background on face and back of check  
5. Faint, wavy line background on face and back of check  
6. Amount line on face contains a different background than the signature

LAGO DEL ORO WATER COMPANY

9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411

Bank One Arizona, NA  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221

306290

Pay

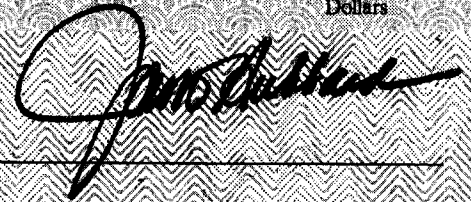
Date	Amount
10/21/02	\$****49,100.06

FORTY NINE THOUSAND ONE HUNDRED AND 06/100 \*\*\*\*\*

Dollars

To  
The  
Order  
Of

BETH FORD, PIMA COUNTY TREASURER  
P O BOX 98765  
PHOENIX AZ 85038-0765



SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

⑈306290⑈ ⑆122100024⑆ 0969 1135⑈

⑈0004910006⑈

ENDORSE HERE

U.S. PATENT 5,622,113

1. AREA INDICATES THAT THE CHECK IS FRAUDULENT  
2. PINK COLOR WILL DISAPPEAR WHEN RUBBING THUMB ACROSS FINGERPRINT OR SEAL

DO NOT WRITE, STAMP OR SIGN BELOW • RESERVED FOR FINANCIAL INSTITUTION USE

U.S. PATENT 5,622,113

1. AREA INDICATES THAT THE CHECK IS FRAUDULENT  
2. PINK COLOR WILL DISAPPEAR WHEN RUBBING THUMB ACROSS FINGERPRINT OR SEAL

DO NOT WRITE, STAMP OR SIGN BELOW • RESERVED FOR FINANCIAL INSTITUTION USE

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:

1. MICRO PRINTING or borders in the background
2. LOOK FOR - FINGERPRINT SECURITY FINGERPRINT SECURITY
3. Face of check has a COLORED BACKGROUND which is the color of the background and color as shown in the endorsement area U.S. 1000
4. No. 571250-075000-054185
5. Adhesive SECURITY SEAL VENTILATORY on the back of the check
6. No. 571250-075000-054185
7. No. 571250-075000-054185

U.S. PATENT 5,622,113

1. AREA INDICATES THAT THE CHECK IS FRAUDULENT  
2. PINK COLOR WILL DISAPPEAR WHEN RUBBING THUMB ACROSS FINGERPRINT OR SEAL

DO NOT WRITE, STAMP OR SIGN BELOW • RESERVED FOR FINANCIAL INSTITUTION USE

#12034523

305-3406625

Bank One Arizona, NA  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221

306291

# LAGO DEL ORO WATER COMPANY

9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411

Pay

THREE THOUSAND SIX HUNDRED EIGHTY FIVE AND 80/100

Date	Amount
10/21/02	\$*****3,685.80

Dollars

To  
The  
Order  
Of

JIM L TURNBULL - PINAL COUNTY TREASURER  
PINAL COUNTY TREASURERS OFFICE  
PO BOX 729  
FLORENCE AZ 85232-0729

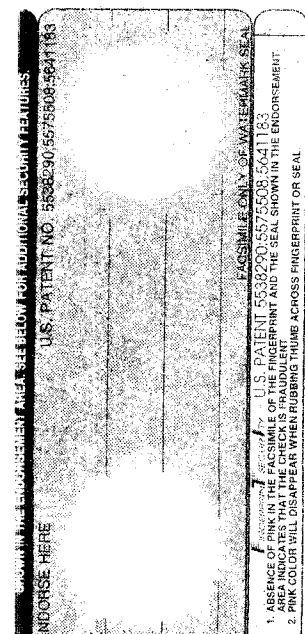


*Jim L. Turnbull*

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

306291 122100024 0969 1135

0000368580



6006 23797

TURNBULL  
SUN  
CCT  
12/18/02

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
1. MICROPRINTING on borders on face and back.  
2. LOOK FOR - FINGERPRINT SECURITY - SECURITY -  
3. Face of check has a COLORED BACKGROUND -  
4. The background and color as shown in the end of the check.  
5. U.S. PATENT NO. 580890/557508-5641183.  
6. ABBOT FINGERPRINT & CERTIFICATION SEAL WATER-  
7. The mark, used at an art's in NEW U.S. - 5011183-5641183-  
8. The watermark are shown in the end of the check.

5. SIGNATURE AREA contains a U.S. Patent No. 553840/557508-  
6. ABBOT FINGERPRINT & CERTIFICATION SEAL WATER-  
7. The mark, used at an art's in NEW U.S. - 5011183-5641183-  
8. The watermark are shown in the end of the check.